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ALLOY AUTOMOTIVE SDN. BHD.

v.

ENKEI AUTOMOTIVE CO. LTD. & ANOR.

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COURT OF APPEAL, KUALA LUMPUR
LAMIN MOHD YUNUS PCA
ABU MANSOR ALI JCA
ABDUL MALEK AHMAD JCA
[CIVIL APPEAL NO: W-02-282-95]
18 NOVEMBER 1996

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CIVIL PROCEDURE: *Appeal - Time - Extension of time to file and serve memorandum and appeal record - Merits of application - Negligence of solicitor - Whether afforded a good ground - Whether appellant himself should have been more diligent*

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The respondents had applied for a declaration that the trade mark “Enkei” belonged to them, and also for the Registrar of Trade Marks to delete the registered trade mark “Enkei” No. 86/00087 which was registered in the name of the appellant. At the hearing, both the appellant and his Counsel were absent, and the learned Judge, in the event, allowed the application in its full terms. The appellant applied for a stay order but the application was refused. The appellant hence appealed. At the hearing of the appeal, however, the appellant discovered that his previous solicitors, when filing the appeal, had not filed both the memorandum and record of appeal. The appellant, in the circumstances, applied for an extension of time to file and serve the documents out of time. Before the learned Judges here, the appellant *inter alia* sought to attribute the delay to the inadvertence of their previous solicitors.

*e**f***Held:****Per Abu Mansor Ali JCA:***g*

[1] There was blatant disregard by the appellant’s solicitors of the Court’s procedure.

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[2] The appellant was partly to blame for the delay in the filing of the appeal record. The appellant should have been more vigilant and alert as to the state of the pending matter, and should have the attentiveness to check on the action of the solicitors he employed and paid for. If the matter was delayed he should have pursued the matter as a diligent litigant, even to the extent of changing to a new solicitor. It was untenable of the appellant to have said that he presumed everything was in order until the letter from the Court of Appeal dated 29 June 1995.

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[3] The facts showed that two High Court Judges have already heard the respondents' claim on their merit and decided against the appellant. We were unable to discover any merit in the application of the appellant. The balance of convenience also lies in favour of this Court refusing the appellant's application. a

[Appeal dismissed.] b

[Bahasa Malaysia Translation of Headnotes]

PROSEDUR SIVIL: Rayuan - Masa - Perlanjutan masa untuk memfail dan menyampaikan Memorandum dan Rekod Rayuan - Merit-merit permohonan - Kecuaian Peguamcara - Samada merupakan alasan yang baik - Samada perayu sendiri seharusnya lebih berhati-hati c

Responden telah memohon pengisytiharan bahawa cap dagang "Enkei" adalah kepunyaan mereka dan supaya Pendaftar Cap Dagang membatalkan cap dagang berdaftar "Enkei" No. 86/00087 yang telah pun didaftarkan atas nama perayu. Di perbicaraan, kedua-dua perayu dan Peguamcaranya tidak hadir, dan Hakim yang bijaksana, dalam keadaan itu, telah membenarkan permohonan responden menurut semua terma-termannya. Perayu telah memohon untuk mendapatkan perintah penggantungan tetapi permohonan tersebut telah ditolak. Perayu telah dengan itu merayu. Di perbicaraan rayuan, perayu telah mendapati bahawa peguamcaranya yang dahulu, ketika memfailkan rayuan, telah tidak memfailkan kedua-dua memorandum dan rekod rayuan. Perayu, dalam halkeadaan ini, telah memohon untuk mendapatkan lanjutan masa bagi memfail dan menyampaikan dokumen-dokumen di luar masa. Di hadapan Hakim yang bijaksana, perayu antara lainnya cuba menyabitkan kelewatan di sini kepada kelalaian peguamcara mereka yang terdahulu. d
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Diputuskan:

Oleh Abu Mansor Ali HMR:

[1] Peguamcara perayu telah dengan terang-terang tidak menghiraukan prosedur Mahkamah. g

[2] Perayu harus dipersalahkan juga bagi kelewatan dalam memfailkan rekod rayuan tersebut. Perayu seharusnya lebih berhati-hati dan berwaspada mengenai keadaan perkara yang menanti penyelesaian ini dan seharusnya mengambil tindakan untuk meneliti perbuatan Peguamcara yang telah beliau lantik dan menggajikan. Jika perkara itu berlarutan beliau seharusnya telah meneruskan perkara itu sebagai seorang litigan yang berusaha, hatta hingga kepada had menukar kepada Peguamcara yang baru. Adalah tidak dapat h

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a disokong pengataan perayu bahawa beliau menjangkakan semuanya berada dalam keadaan yang teratur sehingga terdapatnya surat daripada Mahkamah Rayuan bertarikh 29 Jun 1995.

b [3] Fakta-fakta menunjukkan bahawa kedua-dua Hakim Mahkamah Tinggi telah pun mendengar tuntutan responden berdasarkan merit-merit mereka dan telah membuat keputusan yang tidak memihak kepada perayu. Kami tidak mendapati sebarang merit dalam permohonan perayu. Imbangan keselesaan juga memihak kepada Mahkamah ini menolak permohonan perayu.

[Rayuan ditolak.]

c **Cases referred to:**
Gatti v. ShooSmith [1939] 3 All ER 916 CA (*refd*)
Chong Kueng Ying & Ors. v. Lovis Lavagna [1972] 1 MLJ 180 (*cit*)

d **Legislation referred to:**
Trade Marks Act, ss. 38, 45(1)(A), 87
For the appellant - Raja Aziz Addruse (Philip M.C. Choong with him); M/s. Philip Choong & Co.
For the respondents - Ambiga Sreenevasan; M/s. Skrine & Co.

JUDGMENT

e **Abu Mansor Ali JCA:**

f This is an appeal against the decision of this Court given on 30 September 1996 refusing the application of the appellant for extension of time to file and serve their memorandum and appeal record out of time.

f The facts of this case are as follows. The appellant was respondent in the Court below (hereinafter called "the appellant") and the present respondents were applicants (hereinafter called "the applicants").

g The applicants commenced an action against the appellant in Kuala Lumpur High Court in Notice of Motion No. D3-25-8-94 on 11 May 1994 praying for a declaration that the trade mark "Enkei" was solely owned by the applicants and that the Registrar of Trade Marks Malaysia do delete the registered trade mark "Enkei" No. 86/00087 which was registered in the name of the appellant. The notice of motion was first fixed for hearing on 5 October 1994 but the
h appellant applied for a postponement of this hearing.

i On 5 October 1994, in the absence of the appellant or their solicitors, the Judge granted the applicants the order in terms of their application that trade mark "Enkei" was at all material time owned by the 1st applicant and that the trade mark registered No. 86/00087 in the name of the appellant be deleted. As a

result, the appellant applied by motion praying *inter alia*, for an order that the Judge's order of 5 October 1994 be vacated and or stay be granted. The appellant's application was refused by the learned Judge on 25 March 1995 and the appellant now appeals to the Court of Appeal. The appellant filed their appeal on 11 April 1995.

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It is an undisputed fact that at the date of the argument, the appellant had not filed their memorandum and record of appeal. Hence this application before us. The respondents strongly opposed this application.

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Before us Raja Aziz Addruse and Philip Choong with him appeared for the appellant and Miss Ambiga Sreenevasan appeared for the respondents.

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Before us Raja Aziz informed the Court that the appellant (Alloy Automotive) was initially represented by Darshan Singh & Co., Advocates and Solicitors. The appellant in appealing against the High Court's order of 5 October 1994 had not filed their memorandum of appeal and appeal record. He cited the reason for not having done so was the mistake of the solicitors. Raja Aziz asked the Court to scrutinise a few circumstances. He stressed that the conduct of the solicitors had caused his client great hardship. A search of the Court records was made and the appellant found so many things amiss and after a notice to show cause why this appeal should not be struck out was issued, it was revealed that the record of appeal had not been filed.

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Raja Aziz sought to argue and cited *Gatti v. Shoosmith* [1939] 3 All ER 916 CA where the Court of Appeal in England held, where, owing to a misreading of the rule, the applicant therein was a few days too late in entering an appeal, there was nothing in the nature of such a mistake to exclude it from being a proper ground for allowing the appeal; whether the matter shall be so treated must depend on the facts of each case and in that case the discretion of the Court ought to be exercised, and leave to appeal was given. Counsel also sought to ask the Court to distinguish *Chong Kueng Ying & Ors. v. Lovis Lavagna* [1972] 1 MLJ 180 where the Court held the mistake of the legal adviser was not sufficient ground for granting leave. He sought to point out the leave being applied therein was for special leave and did not apply to his situation as his application was just for leave.

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Miss Ambiga for the respondents contended that there was no inadvertence by the solicitors as stated by the appellant's Counsel. In respect of this delay, it was clear from paras. 2, 3 and 4 of Mr. Darshan Singh's affidavit affirmed on 25 September 1996 (Darshan's affidavit) that he was blaming his client for not having given him the required instruction to proceed with the appeal. She added that, on the contrary, it is clear from the affidavit of Mr. Hitoshi Suzuki for the respondents affirmed on 27 July 1996 that according to the

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- a* Registrar's letter A5 dated 29 June 1995 that as a result of the appellant's solicitor's improper and premature application for extension of time for filing of the record of appeal, their solicitors was thereafter duly directed by the Court's registry to adhere to Court of Appeal Practice Circular No. 2/91 and the solicitors was also duly directed to file a notice of motion therefor. There
- b* was an undisputed and inordinate delay as one year had elapsed from the date of judgment, 5 October 1994 and the appellant must to a certain extent share some blame and what was also clear nothing had since been done after that inspite of the direction.
- c* Miss Ambiga further contended that even in the case of the application to set aside the Court's judgment of 5 October 1994 there was also an undisputed delay of 30 days for which the appellant had to pray for an extension to file.
- d* Miss Ambiga drew the Court's attention that Mr. Hitoshi Suzuki's affidavit in reply at p. 42 referred to the absence of any explanation why there was this delay in the applicant's application. He attributed that delay as to the applicant's solicitors attempt to drag their feet in the early disposal of this pending matter. The judgment of his Lordship V.C. George on 5 October 1994 at p. 26 of Hitoshi Suzuki's affidavit is given below and is illustrative as showing how the appellant's solicitor's conduct (who was for the respondents below) was viewed by the learned Judge and it also showed how his Lordship had dealt with this
- e* application before it came up before us. The learned Judge held:
- Ct: This application was specially fixed for hearing for the afternoon. In the meantime the respondents successfully obtained an order for security for costs. Neither the respondents nor their solicitors nor Counsel are here.
- f* There is a fax sent yesterday to the Court by solicitors for the respondents. I think it is an impertinence for the solicitors to expect the Court to entertain that if that is purported to be an application for adjournment.
- g* The applicants solicitors have by fax informed respondents solicitors that they oppose any adjournment. I have to and treat the case as one in which the respondents and their solicitors and Counsel are absent. Accordingly I proceeded to hear the application.
- h* The opposition as provided by the respondent's affidavit encl. (8) suggests to me that the opposition is made tongue in cheek. There is what can only be described as an abuse of the process by the respondents. To suggest that the mark Enkei was based on the Chairman's son's pet name but to use the identical stylised form of the word as used by the Japanese is almost contemptuous of the Court.
- i* There is more than sufficient evidence to show that the applicants have owned the mark and have it in Malaysia since 1981.

It is unfortunate that inspite of the appellants in good time notifying the Registrar of Trade Mark of the opposition to the respondent's application, they were not heard and the mark was registered without hearing them. **a**

OIT of encl. (2) prayer 1 to 7.

t.t.
Sgd. Dato' V.C. George. **b**

Respondents' Counsel contended further that the appellant's Counsel knew fully well their situation with the previous solicitors and only proceed to do a belated search in July 1996.

She submitted that the appellant and also their solicitors showed consistent delay and urged the Court to dismiss their application. **c**

What merit had the appellant in their application to set aside the order of the learned Judge dated 5 October 1994? Appellant's Counsel submitted they had merit as the appellant had registered the trade mark "Enkei" first. **d**

To this, Miss Ambiga replied that the appellant could have availed themselves of two avenues. They could have appealed or proceeded under s. 45(1)(a). That section provides:

45.(1) Subject to the provisions of this Act - **e**

(a) the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as it thinks fit; **f**

(b) not relevant;

(c) not relevant.

She submitted there appears to be no time limit for application for the purpose of expunging under s. 38 of the Trade Marks Act even after seven years application can be made by a genuine owner for expunging a trade mark. **g**

Under s. 87 of the Trade Marks Act, the question was not who first filed for registration but priority is granted as to who uses first. **h**

It is contended by the respondents and at pp. 26 and 27 of the affidavit of Hitoshi Suzuki, it is stated that the trade mark "Enkei" was used first by the respondent and it was registered without the respondents being given a right to be heard. **i**

- a* This Court viewed that there was blatant disregard by appellant's solicitors of the Court's procedure. It is also the view of this Court that to a certain extent, the appellant could not escape and was partly to blame for the delay in the filing of the appeal record. The appellant, we feel should have been more vigilant and alert as to the state of their pending matter. We feel he should have the
- b* attentiveness to check on the action of the solicitors he employed and paid for. If the case was delayed he should have pursued the matter as a diligent litigant and even to the extent of firing his solicitors and changing to a new solicitor who could do a better job. After all he was paying and had the right to call the tune. He was master and the solicitors were only his agent. We
- c* could not subscribe and sympathise with appellant's Counsel's submission that his client presumed everything was in order until the letter from the Court of Appeal dated 29 June 1995.

It is also our considered view that the client having such a solicitor, should have been more concerned as to the state of his case if he was so injured as he claimed.

- d*
- As for being vigilant we took note and found substance in the submission of Counsel for the respondents that an order of committal as a result of non-compliance with an injunction was made against one of the appellant's directors dated 12 February 1996. The appellant made a complaint against that order.
- e* In their pursuing of their complaint, their matter was taken over by Philip Choong & Co. From May 1995 to July 1995 it should have dawned on the applicant anything could have gone wrong with their matter in Court. They should have woken up and conducted an urgent enquiry to protect their interest. This the appellant failed to do.
- f*
- In coming to the conclusion to dismiss the applicants' application, we considered and found merit in the respondents' Counsel's argument that two High Court Judges have heard the applicants' claim on their merit. His Lordship Justice Arifin Jaka conducted a full hearing and he turned down the appellant's
- g* application to set aside the order of 5 October 1994.

Also significant in our consideration was para. 10 of the affidavit of Hitoshi Suzuki which provides thus:

- h* 10. Dalam mana-mana keadaan Pejabat Pendaftar Cap Dagangan telah memotong Pendaftaran No. 86/00087 daripada Daftar Cap Dagangan. Kini dikemukakan dan ditanda "A7" adalah suatu salinan Warta yang mengiklankan pemotongan tersebut. Selanjutnya cap dagangan "Enkei" adalah kini didaftarkan atas nama Responden Pertama. Kini dikemukakan dan ditanda "A8" adalah suatu salinan Perakuan Pendaftaran.

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Oleh yang demikian, saya dengan takzimnya memohon supaya permohonan Perayu untuk suatu perlanjutan masa untuk memfailkan Memorandum Rayuan dan Rekod Rayuan hendaklah ditolak dan Rayuan Sivil No.W-02-282-95 hendaklah dibatalkan dengan kos hendaklah dibayar kepada Responden.

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Roughly translated:

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10. In any situation the Department of the Registrar of Trade Marks had deleted Registration No. 86/00087 from the Register of Trade Marks. Herein is exhibited and marked "A7" is a copy of the Gazette advertizing to the said cancellation. Thereafter the trade mark "Enkei" is now registered in the first respondent's name. It is herein exhibited and marked "A8" is a copy of the certificate of registration. In the premises the respondent prays for dismissal of the appellants' application for extension of time for the filing and service of the memorandum and appeal record.

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For reasons stated above and considered in its entirety, with due respect, we were unable to discover any merit in the application of the appellant and in the exercise of our discretion, we find the balance of convenience lies in favour of our refusing the appellant's application with costs to the respondents. The appellant appeals.

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Reported by WA Sharif

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